



APPROVED BUDGETS



DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

Section II OVERVIEW

History: In 1996, the District of Columbia Water and Sewer Authority was created by District law, with the approval of the United States Congress, as an independent authority of the District Government with a separate legal existence.

Age of Pipes: The median age of District water main pipes is over 77 years old, with approximately 9 percent of pipes installed in the 1900s and 2 percent dating back to the 1860s before the Civil War.

Service Area: Providing more than 672,000 residents and 21.3 million annual visitors in the District of Columbia with retail water and wastewater (sewer) service, DC Water has a total service area of approximately 725 square miles. In addition, DC Water treats wastewater for approximately 1.6 million people in neighboring jurisdictions, including Montgomery and Prince George's Counties in Maryland and Fairfax and Loudoun Counties in Virginia.

Employees: Approximately 1,100 people are employed by DC Water and work at various facilities across the District.

Drinking Water Quality: With a strong emphasis on water quality, DC Water maintains an annual flushing program, regulatory and voluntary water quality testing and ongoing system upgrades. In partnership with the U.S. Army Corps of Engineers Washington Aqueduct, DC Water ensures a high quality treatment process for delivering outstanding drinking water throughout the year.

Pumped and Treated Water Storage: During Fiscal Year 2016, DC Water pumped an average of 99 million gallons of water per day. In addition, DC Water stores 61 million gallons of treated water at its eight facilities. The Washington Aqueduct stores an additional 49 million gallons.

Water Distribution System: DC Water delivers water through 1,350 miles of interconnected pipes, four pumping stations, five reservoirs, three water tanks, 48,979 valves, and 9,462 fire hydrants.

Blue Plains Advanced Wastewater Treatment Plant: Blue Plains, located at the southernmost tip of the District, is the largest advanced wastewater treatment facility in the world, covering 153 acres along the Potomac River.

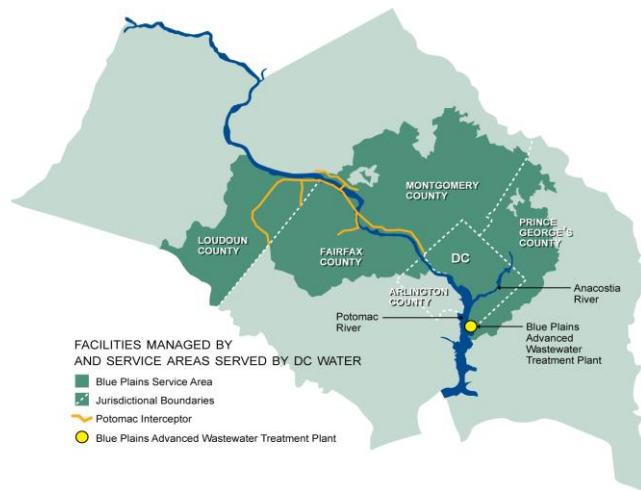
Wastewater Treatment Capacity: Blue Plains treats an annual average of 300 million gallons per day (MGD) and has a design capacity of 370 MGD, with a peak design capacity to treat more than one billion gallons per day.

Sewer System: 1,900 miles of sanitary and combined sewers and 22 flow-metering stations, 9 off-site wastewater pumping stations, 16 stormwater pumping stations, 12 inflatable dams and a swirl facility comprise the DC Water sewer system.

Financial Performance: During fiscal year 2016 DC Water achieved two bond rating upgrades for senior lien revenue bonds. In February, Standard & Poor’s Investors Service upgraded DC Water’s credit rating to AAA. In April, Moody’s Investors Service upgraded DC Water to Aa1. The rating from Fitch Ratings was reaffirmed as AA. DC Water also received its 18th consecutive unqualified audit opinion of its financial statements.

A 24-hour Emergency Command Center, at (202) 612-3400, operates as the centralized communication facility for receiving and responding to a variety of emergency calls from customers and the public.

DC WATER SERVICE AREA



Community Service: Donating their time and resources, DC Water employees actively support a variety of charitable projects and community services. DC Water also invests in the community by conducting science laboratory exercises in District high schools and engaging the public through tours of the Blue Plains Plant.

Governance: DC Water’s Board of Directors establishes policies and guides the strategic planning process. The Board is composed of 22 members, representing the District, Montgomery and Prince George’s Counties in Maryland and Fairfax County in Virginia. The District members set rates, charges and policies for District services. The entire Board votes and establishes policies for joint-use services. The Chief Executive Officer/General Manager reports to the Board and manages operations and performance of the enterprise.

Customer Service: DC Water communicates valuable customer-related information through bill inserts, monthly newsletters, its website, and social media to include Facebook, YouTube, Flickr and Twitter. Using an interactive voice recognition system, DC Water makes information readily available in more than 150 languages.

DC Water Financial Information (\$ in millions)		
Bond Rating: AAA/Aa1/AA	FY 2017	FY 2018
Revenue (Cash Receipts)	\$595.4	\$617.2
Operating Budget	\$535.8	\$561.9
Capital Disbursements Budget	\$507.0	\$387.3

Budget Summary

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Description	Unit of Measurement	FY 2017	FY 2018	Increase/ (Decrease)
Operating Budget	\$ in thousands	\$535,825	\$561,947	\$26,122
Ten-Year CIP (Cash Disbursements)	\$ in billions	\$3.66	\$3.75	\$0.09
Total Revenue	\$ in thousands	\$595,446	\$617,159	\$21,713
Wholesale Operating Revenues	\$ in thousands	\$81,468	\$76,028	(\$5,440)
Water Residential – 0 – 4 Ccf	Ccf	\$3.23	\$3.39	\$0.16
Water Residential - > 4 Ccf	Ccf	\$4.06	\$4.26	\$0.20
Water Multi-family	Ccf	\$3.62	\$3.80	\$0.18
Water Non-residential	Ccf	\$4.19	\$4.40	\$0.21
Sewer	Ccf	\$5.71	\$6.00	\$0.29
Monthly Clean Rivers IAC	ERU	\$22.24	\$25.18	\$2.94
Water System Replacement Fee	5/8"	\$6.30	\$6.30	\$0
PILOT Fee	Ccf	\$0.48	\$0.49	\$0.01
ROW Fee	Ccf	\$0.17	\$0.18	\$0.01

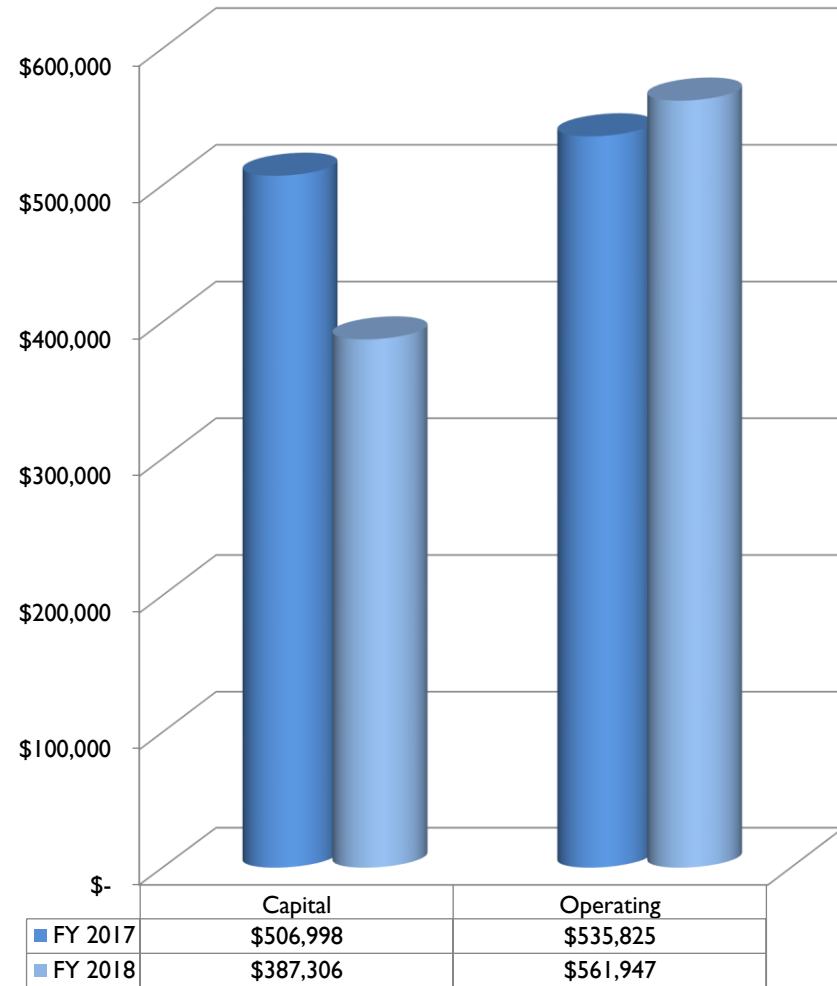
Comparative Operating & Capital Expenditures

\$ in thousands

OPERATING AND CAPITAL BUDGETS ENSURE SERVICE NEEDS AND STRATEGIC OBJECTIVES ARE MET

	APPROVED FY 2017	APPROVED FY 2018
<u>CAPITAL (Cash Disbursements Basis)*</u>		
Wastewater Treatment	\$ 123,789	\$ 98,423
Sanitary Sewer	38,302	39,294
Combined Sewer Overflow	184,387	130,475
Stormwater	1,706	2,682
Water	58,819	51,738
Washington Aqueduct	10,896	11,768
Capital Equipment	54,949	32,897
Non Process Facilities	34,150	20,030
Total Capital	\$ 506,998	\$ 387,306
<u>OPERATING</u>		
Personnel Services	144,761	149,193
Contractual Services	82,760	79,354
Water Purchases	29,278	30,156
Chemicals and Supplies	34,709	30,659
Utilities	28,670	29,399
Small Equipment	1,230	1,071
Total O&M	321,408	319,831
Debt Service	169,346	185,480
Cash Financed Capital Improvements	24,014	35,260
Payment in Lieu of Taxes	15,957	16,276
Right of Way Fees	5,100	5,100
Subtotal Operating	535,825	561,947
Personnel Services charged to Capital Projects	(21,934)	(21,061)
Net Operating	\$ 513,891	\$ 540,886

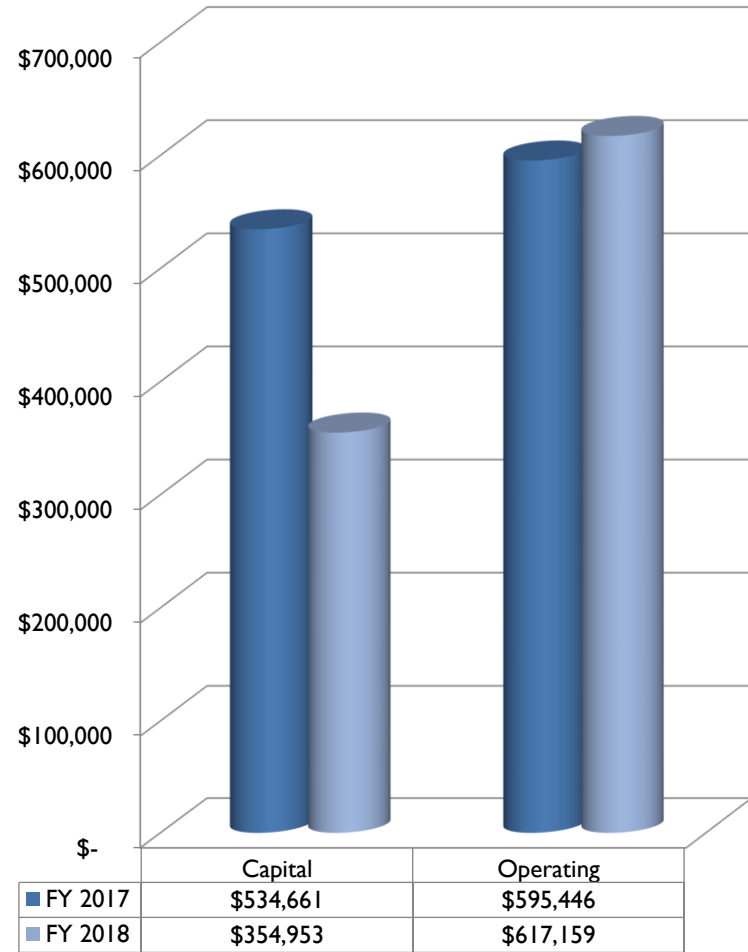
* Reflects revised FY 2017 capital disbursements budget



Comparative Operating & Capital Revenues

\$ in thousands

	REVISED FY 2017	APPROVED FY 2018
CAPITAL		
Wholesale Capital Payments	\$ 107,732	\$ 80,043
EPA Grants & CSO Appropriations	25,013	23,093
Interest Income on Bond Proceeds	1,283	1,365
Pay-Go Financing	100,633	95,514
Revenue Bonds/Commercial Paper/EMCP	300,000	154,938
Total Capital Revenue	\$ 534,661	\$ 354,953
OPERATING		
Residential	\$ 102,308	\$ 109,793
Commercial	147,587	159,147
Multi-family	79,093	84,099
Federal Government	57,540	58,494
Municipal & Housing	25,877	27,891
Water System Replacement Fee (WSRF)	39,717	39,717
Metering Fee	10,776	10,776
Wholesale	81,468	76,028
Other Revenue	51,080	51,214
Total Operating Revenue	\$ 595,446	\$ 617,159



- Water and Sewer volumetric rates are listed below:
 - Residential customers: “Consumption of 0 – 4 Ccf” water rate increase of \$0.15 per Ccf to \$3.23 per Ccf, {increase of \$0.20 to \$4.32 per 1,000 gallons}
 - Residential customers: “Consumption greater than 4 Ccf” water rate increase of \$0.19 per Ccf to \$4.06 per Ccf, {increase of \$0.26 to \$5.43 per 1,000 gallons}
 - Multi-family customers: water rate increase of \$0.17 per Ccf to \$3.62 per Ccf, {increase of \$0.23 to \$4.84 per 1,000 gallons}
 - Non-residential customers: water rate increase of \$0.20 per Ccf to \$4.19 per Ccf, {increase of \$0.27 to \$5.60 per 1,000 gallons}
- Sewer rate increase of \$0.27 per Ccf to \$5.71 per Ccf, {increase of \$0.36 to \$7.63 per 1,000 gallons}
- Monthly Clean Rivers Impervious Area Charge increase of \$1.94 to \$22.24 per ERU to recover the costs of the DC Clean Rivers Project
- Water System Replacement Fee (WSRF) of \$6.30 for 5/8” meter size will remain the same. This fee varies with meter size. The WSRF is to recover the costs of 1 % renewal and replacement program for water service lines
- PILOT fee increase of \$0.01 per Ccf to \$0.48 per Ccf {increase of \$0.01 to \$0.64 per 1,000 gallons}
- No increase in ROW fee, which remains the same at \$0.17 per Ccf {\$0.23 per 1,000 gallons}

- Water and Sewer volumetric rates are listed below:
 - Residential customers: “Consumption of 0 – 4 Ccf” water rate increase of \$0.16 per Ccf to \$3.39 per Ccf, {increase of \$0.21 to \$4.53 per 1,000 gallons}
 - Residential customers: “Consumption greater than 4 Ccf” water rate increase of \$0.20 per Ccf to \$4.26 per Ccf, {increase of \$0.27 to \$5.70 per 1,000 gallons}
 - Multi-family customers: water rate increase of \$0.18 per Ccf to \$3.80 per Ccf, {increase of \$0.24 to \$5.08 per 1,000 gallons}
 - Non-residential customers: water rate increase of \$0.21 per Ccf to \$4.40 per Ccf, {increase of \$0.28 to \$5.88 per 1,000 gallons}
- Sewer rate increase of \$0.29 per Ccf to \$6.00 per Ccf, {increase of \$0.39 to \$8.02 per 1,000 gallons}
- Monthly Clean Rivers Impervious Area Charge increase of \$2.94 to \$25.18 per ERU to recover the costs of the DC Clean Rivers Project
- Water System Replacement Fee (WSRF) of \$6.30 for 5/8” meter size will remain the same. This fee varies with meter size. The WSRF is to recover the costs of 1 % renewal and replacement program for water service lines
- PILOT fee increase of \$0.01 per Ccf to \$0.49 per Ccf {increase of \$0.01 to \$0.65 per 1,000 gallons}
- ROW fee increase of \$0.01 per Ccf to \$0.18 per Ccf {increase of \$0.01 to \$0.24 per 1,000 gallons}

Cash Flow Summary

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\$ in thousands

	FY 2016 Actual	FY 2017 Approved	FY 2017 Revised	FY 2018 Approved
OPERATING BUDGET				
Operating Revenue				
Residential, Commercial & Multi-Family	\$248,661	\$254,504	\$258,144	\$268,331
Federal	10,454	7,087	8,247	8,580
Municipal	44,250	36,925	36,925	39,620
D.C. Housing Authority	7,525	7,134	7,035	7,311
Groundwater	-	5	5	5
Water System Replacement Fee (WSRF)	11,479	10,776	10,776	10,776
Metering Fee	30,287	40,000	39,717	39,717
Payment in Lieu of Taxes / Right of Way Fee	21,985	20,976	21,082	21,511
Clean Rivers IAC Revenue	98,810	102,869	102,049	115,577
Sub-total Retail	473,452	480,276	483,981	511,428
Wholesale	79,784	79,946	81,468	76,028
Interest Earnings	1,040	2,424	1,505	2,097
Other Operating Rev. ⁽¹⁾	34,840	29,650	28,169	27,155
Total Operating Revenue ⁽¹⁾	589,115	592,296	595,123	616,707
Operating Expenditures				
Personnel Services	121,101	122,827	122,827	128,132
Contractual Services	78,097	82,760	82,760	79,353
Chemicals & Supplies	26,644	34,709	34,709	30,156
Utilities & Rent	37,160	28,670	28,670	30,659
Water Purchases	34,791	29,278	29,278	29,399
Small Equipment	660	1,230	1,230	1,071
Subtotal - Operating Expenditures	298,452	299,474	299,474	298,770
Payment in Lieu of Taxes / Right of Way Fee	20,744	21,057	21,057	21,376
Debt Service	152,081	169,346	167,733	185,480
Cash Financed Capital Improvements/Defeasance	23,475	24,014	24,199	35,260
Total Operating Disbursements	494,752	513,891	512,463	540,886
Operating Surplus ⁽¹⁾	94,364	78,407	82,660	75,821
CAPITAL Disbursements (See Section VI for more details)				
Sources of Capital Funds	594,622	500,590	534,661	354,953
Uses of Capital Funds	557,009	472,238	506,998	387,307
Capital Disbursements Overage / (Shortage)	37,613	28,352	27,663	(32,354)
CASH RESERVES				
Beginning O&M Reserve Balance (Net of Rate Stabilization Fund)	160,055	140,000	162,652	140,000
Operating Surplus	94,364	78,407	82,660	75,821
Wholesale Customer Refunds/Payments for Prior Years	(13,017)	(5,500)	(10,000)	(7,000)
Transfer to Rate Stabilization Fund	(19,000)			
Federal Customer Refund/Payments for Prior Years	(11,679)	(19,201)	(19,201)	(9,019)
Interest Earned from Bond Reserve	213	505	323	452
Pay-As-You-Go Capital Financing	(48,284)	(54,711)	(76,434)	(60,254)
Ending O&M Reserve Balance (Net of Rate Stabilization Fund)	162,652	139,500	140,000	140,000
Rate Stabilization Fund	\$ 51,450	\$ 51,450	\$ 51,450	\$ 51,450

(1) Does not include interest earned from the debt service reserve fund

The District of Columbia Water and Sewer Authority (DC Water) was created in April 1996 and began operating October 1, 1996 under and pursuant to an act of the Council of the District of Columbia and an act of the United States Congress. Previously, the Water and Sewer Utility Administration, a division of the District's Department of Public Works, performed DC Water's operations. In the aftermath of the District's financial crisis in the 1990s, Congress created an independent utility agency governed by a Board of Directors consisting of eleven principal and eleven alternate members who represent the District of Columbia, Montgomery and Prince George's Counties in Maryland and Fairfax County in Virginia to govern DC Water. The Mayor of the District of Columbia appoints, and the Council confirms, all District Board members, including the Chairperson. In addition, the Mayor appoints the five principal and five alternate members who represent the surrounding jurisdictions based on submissions from those jurisdictions. All members serve four-year terms. The existence of a quorum and an affirmative vote of a majority of the members present, who are permitted to participate in the matter under consideration, shall be required to approve any Board action; except, that 7 affirmative votes shall be required for approval of the Authority's budget and 8 affirmative votes shall be required for the selection or relieving of the CEO/General Manager. All Board members participate in decisions directly affecting the general management of joint-use facilities (such as projects at the Blue Plains Advanced Wastewater Treatment Plant), and only the District of Columbia members participate in decisions for those matters that affect only District ratepayers. Rates setting authority resides solely with the Board of Directors, and is a non-joint use matter.

At its inception, DC Water faced a cash shortage and projected multi-million dollar deficit. The newly established utility was also burdened with a barely functional fleet, poorly maintained infrastructure, an antiquated billing system, and a number of operating weakness. Through the leadership of an active Board of Directors and strong management staff, a line of credit was obtained, municipal bonds were

issued and new strategic goals, business processes and technologies were developed. DC Water made tremendous strides in its prudent financial management and cutting-edge technology, customer service improvements, extensive capital investment, environmental stewardship, peer-reviewed research and establishment of an award winning fleet. Our credit rating since 1996 has gone from no credit to AAA.

Over the years, we have developed strong partnerships with the District government, Congress, suburban jurisdictions, federal regulators and environmental advocates. We are continuing to strengthen our existing partnerships while reaching out to establish new relationships. Our success has been acknowledged through many awards as well as positive financial results and audits over the years. Since 1996, the Authority has met its mission of providing clean drinking water to residents of the District of Columbia and wastewater conveyance and treatment services to both residents of the District and wholesale customers in Maryland and Virginia.

At DC Water, we focus all of our technology initiatives on improving both the quality of services we provide to our customers and organizational effectiveness. We were one of the first utilities to automate our meter reading program (AMR) which has been heralded as a best practice in the industry. The automated meters use radio frequency and cell phone technology to send daily water usage information from the meter to DC Water. This tool analyzes daily water consumption and provides monthly and yearly averages on an account so a customer can monitor their own water use. In addition, we developed a powerful application in-house called the High Use Notification Application (HUNA). This tool alerts customers of unusually high amounts of water delivered to their meter so they can check for leaks and avoid a high bill. Over the last 10 years that we have offered the service, 33% of all customers have received at least one alert. We anticipate reaching a total of 90,000 alerts sent to customers in 2017.

Basis of Accounting

DC Water is a single enterprise fund and maintains accounting records using the accrual basis of accounting in accordance with Generally Accepted Accounting Principles (GAAP). Under this basis of accounting, revenues are recorded when earned, and expenses are recorded when incurred. DC Water's expenditure budget is prepared on a comparable basis to GAAP, with the exception of debt service (including principal and interest) that is budgeted in full when due. Depreciation and interest expense are recorded as expenses for financial statement purposes. (Depreciation is not budgeted.)

Annual Budget Process

As a first step in the budget development process, the Finance, Accounting & Budget Department updates DC Water's ten-year financial plan to reflect any revisions to the capital improvement program and any other major revenue or operating budget issues, and analyzes the potential impact of these items on rates. In addition to these items, the ten-year plan is also developed based on the financial and rate-setting policies adopted by the Board as well as the Board's Strategic Plan.

Approval Process

In June, departments submit their initial budget requests for management review. DC Water's strategic and operational priorities are included in each department's work plan and performance agreements, as appropriate. During the month of June and in early July, departments complete budget reviews with budget staff, and in July and August, reviews are held with the Executive Team and with the CEO/General Manager in tandem.

Typically in November of each year, management presents the operating budget, ten-year capital improvement program and ten-year financial plan to the Board's Environmental Quality and Sewerage Services, Water Quality and Water Services, DC Water Retail Water and Sewer Rates and Finance and Budget Committees for their review. This budget is proposed for the following fiscal year (e.g. beginning October 1, 2016). The Committees review the budget documents in November through December and submit budget recommendations to the full Board in December. Typically, decisions are finalized and Board action on the budget is taken between December and January.

Upon budget adoption, the Budget Department publishes and distributes the approved budget book and ensures that DC Water's budget is included in the District of Columbia's budget submission, which is transmitted to the U.S. Congress for approval. Once approved by Congress, the budget is effective October 1 of each year.

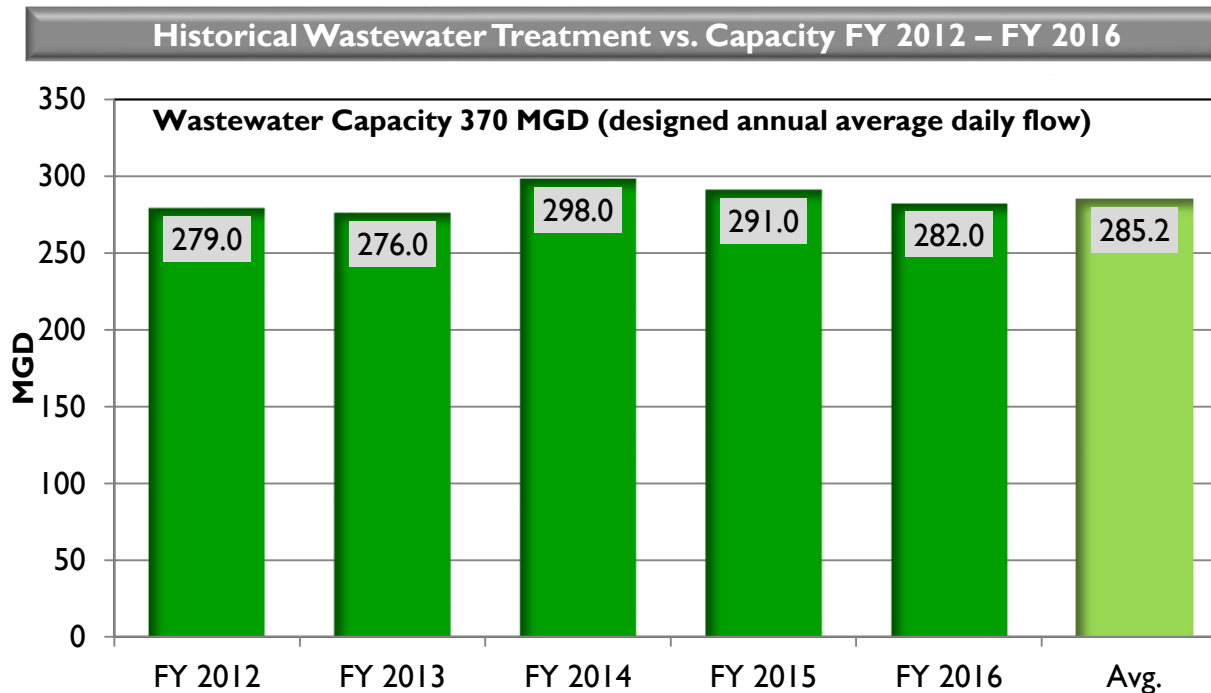
Budgetary Control

After the U.S. Congress approves the budget, the operating and capital budgets are loaded into the DC Water's financial management system, which prevents overspending without appropriate approvals. The Department of Finance, Accounting and Budget prepares monthly management reports for each operating unit, management staff, the Board of Directors and its various committees. The reports are consistently reviewed each month to ensure that DC Water complies with its authorized budget levels.

Month	Event
May 16	Chief Executive Officer (CEO) & General Manager’s Budget Kickoff Meeting
May 16	Distribution of budget manual and budget templates
June 15	FY 2018 Operating and Ten-Year Capital Budget requests due to Finance, Accounting and Budget department (Team FAB)
June - July	Revised FY 2017 Budget Proposed Review with Committee Departmental FY 2018 Operating and Capital Budget Reviews with Team FAB, Office of General Manager, Information Technology (IT) and Support Services
July 7	FY 2017 Retail Rates & Fees Proposal Delivered to Board for Action
July	Evaluation of departmental FY 2018 budget requests by Budget Department Begin Preliminary Ten-Year Financial Plan update (Submit IMA, CSO and EPA grants)
August	Operating and Capital Budget Review with Chief Operating Officer and Chief Financial Officer
September	Completion of Final FY 2018 Operating and Ten-Year Capital Budget Decisions Process
October 5	CEO & GM and Executive Team’s briefing of Operating and Ten-year CIP
October 7	Transmittal of CEO & GM’s final budget proposal to Assistant General Managers & Department Heads
October	Budget Book Preparation and Production
November 3	Budget Workshop – Board Briefing of the CEO & GM’s Proposed FY 2018 Budgets
November	Committees Conduct in-depth review of budget proposal Committees forward recommendations to full Board for deliberation/action
December 1	Board Adoption
December	Submission to the District of Columbia

WASTEWATER SYSTEM CAPACITY ENSURES SERVICE AREA MEETS NEEDS THROUGH 2040

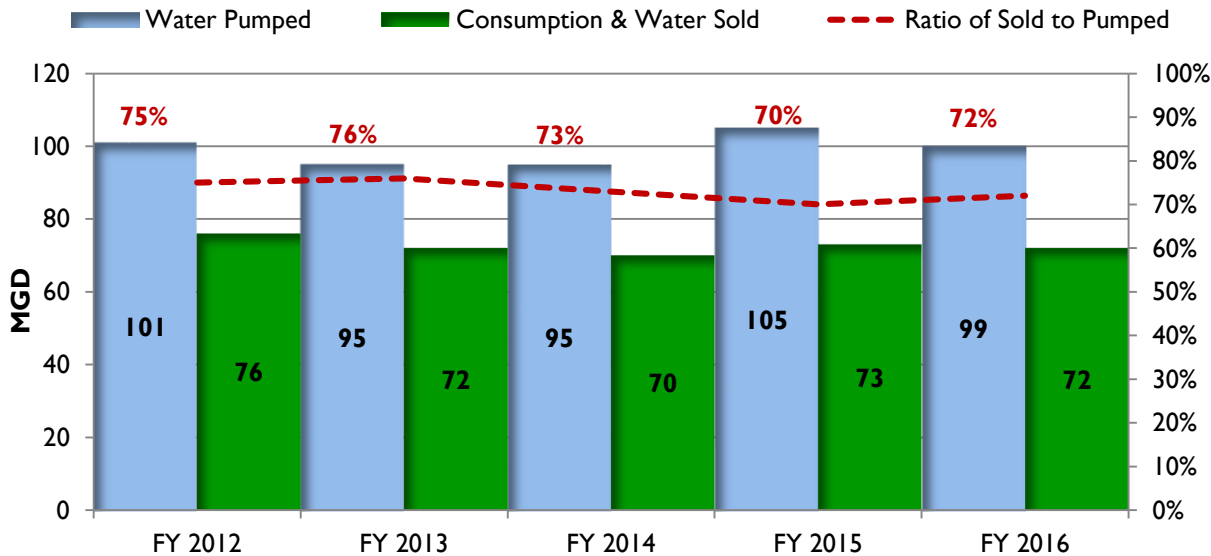
- Blue Plains is the world’s largest advanced wastewater treatment plant
 - Treats an average of approximately 300 million gallons per day (MGD) annually
 - Designed for average daily flow of 370 MGD and peak wet weather capacity of 1,076 MGD
- System comprises 1,800 miles of sanitary, stormwater and combined sewers; 125,000 building sewer lateral; 22 flow-metering stations; 9 off-site wastewater pumping stations; and 16 stormwater pumping stations



WATER SYSTEM CAPACITY MEETS SERVICE AREA NEEDS

- Water purchased from the Washington Aqueduct, owned and operated by U.S.Army Corps of Engineers
- Total treatment capacity of 320 MGD exceeds average daily and peak requirements in service areas
- Four pumping stations with adequate capacity to meet peak demand
 - Bryant Street, New Fort Reno, 16th and Alaska, Anacostia
- One Washington Aqueduct pumping station with capacity sufficient to take over for Bryant Street pumping station
- 1,350 miles of interconnected pipes

Volume of Water Pumped versus Sold FY 2012 – FY 2016



Infrastructure Index Leakage (ILI) :	
FY 2012	8.31
FY 2013	6.89
FY 2014	7.49
FY 2015	9.94
FY 2016	7.84

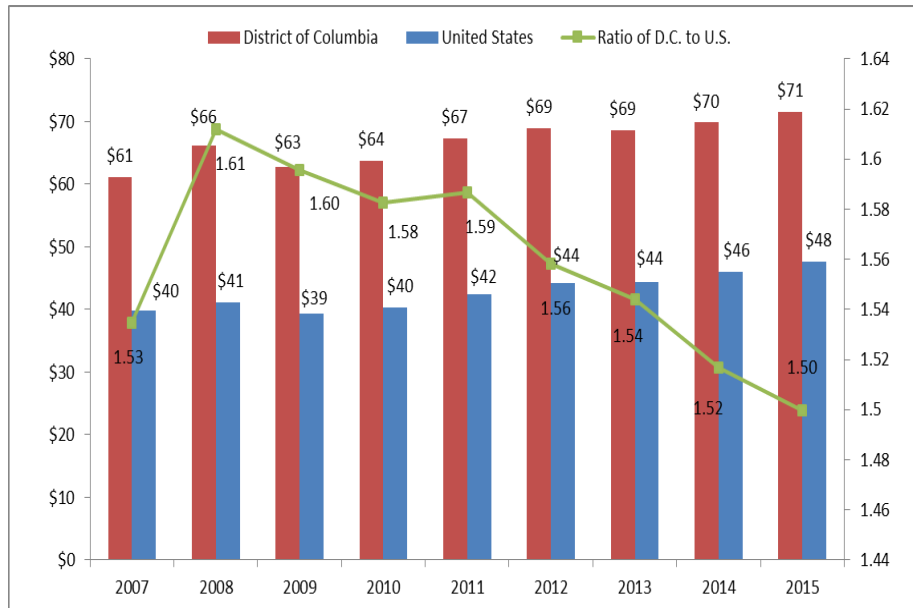
Strong financial planning requires careful monitoring and analysis of various trends and factors that may influence the market place. In this case, the market place for DC Water is the District of Columbia and its surrounding region. DC Water monitors consumption and wastewater flow trends within the customer base, weather patterns, regional income changes, population trends, federal activity in the region, housing starts, office vacancy rates and employment trends. A review of experiences from similar national systems is a useful benchmark assessment. While there are no crystal balls in the area of forecasting water demand, monitoring such data can provide insight into customer behavior and anticipated service demands.

Regional Economy

DC Water's service area has weathered the recent national recession well. The regional unemployment rates remain relatively low and the regional per capita incomes remain higher than the U.S. average. Office vacancy rates remain lower than the region, which experts believe are favorable economic indicators. A major local employer, the federal government, remains relatively stable for this employment sector. Select demographic charts following support the generally positive outlook for the Washington Metropolitan region and its economy.

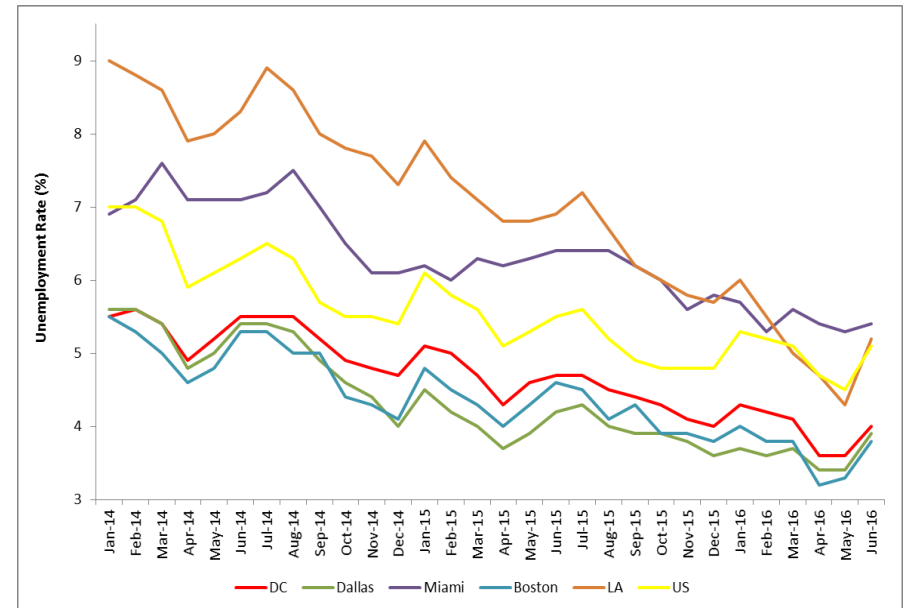
As the largest job center in the DC Metropolitan region, DC can be impacted by economic declines. However, impacts are tempered by the relatively stable federal employment enjoyed by the nation's capital.

DC Per Capita Income is Higher than U.S. Average



Source: Bureau of Economic Analysis

DC Unemployment Rate Remains Relatively Low



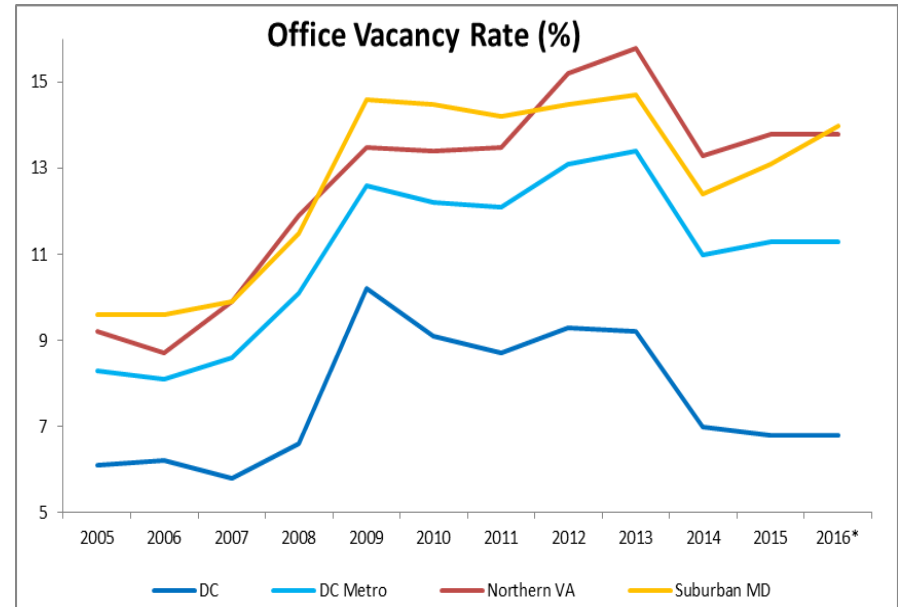
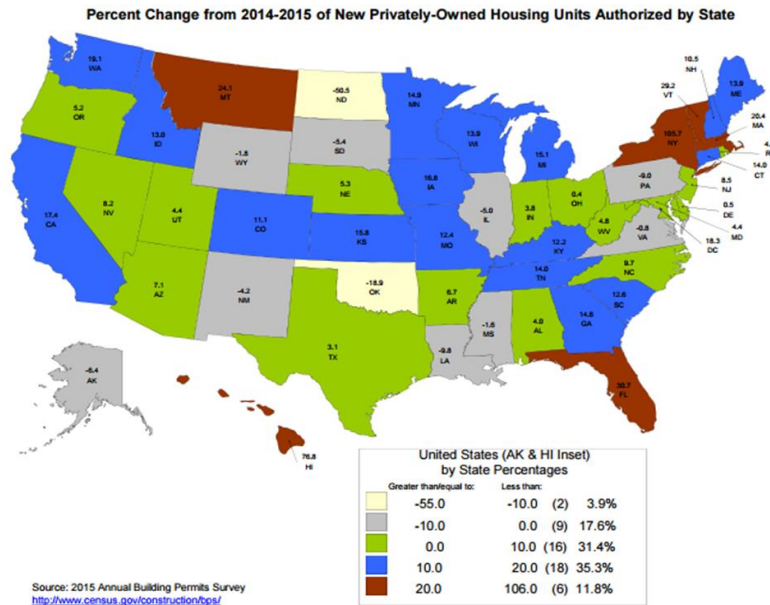
Source: Bureau of Labor Statistics

- The scale on the left side of the chart shows personal income per capita which applies to the columns in each year for DC and the U.S.
- The scale on the right side of the chart shows the ratio of DC income to U.S. income which is reflected by the line in the chart

Low commercial office vacancy rates and growth in housing permits throughout the region provide positives signs for the regional economy.

**2014 – 2015
DC Growth in Housing-Permit Issuance
at Par with the Rest of U.S.**

**DC Office
Vacancy Rates
Lower Than The Region**



Source: US Census Bureau

Source: District of Columbia Office of Chief Financial Officer and Delta Associates

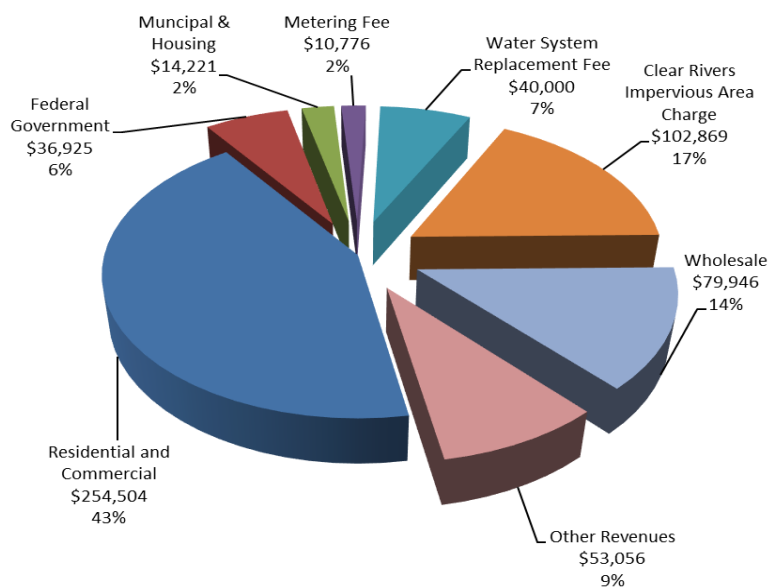
- DC’s performance is driven by federal government growth and associated industries, supporting regional growth and diversification

- The region’s residential housing and office markets have weathered the economic climate relatively well compared to neighboring states

The regional economic indicators are positive with strong incomes and unemployment below the national level. These factors coupled with stable consumption and the financial strength of some of the major AAA rated customers helps to ensure the financial success of DC Water.

The DC Water service area includes highly-rated customers

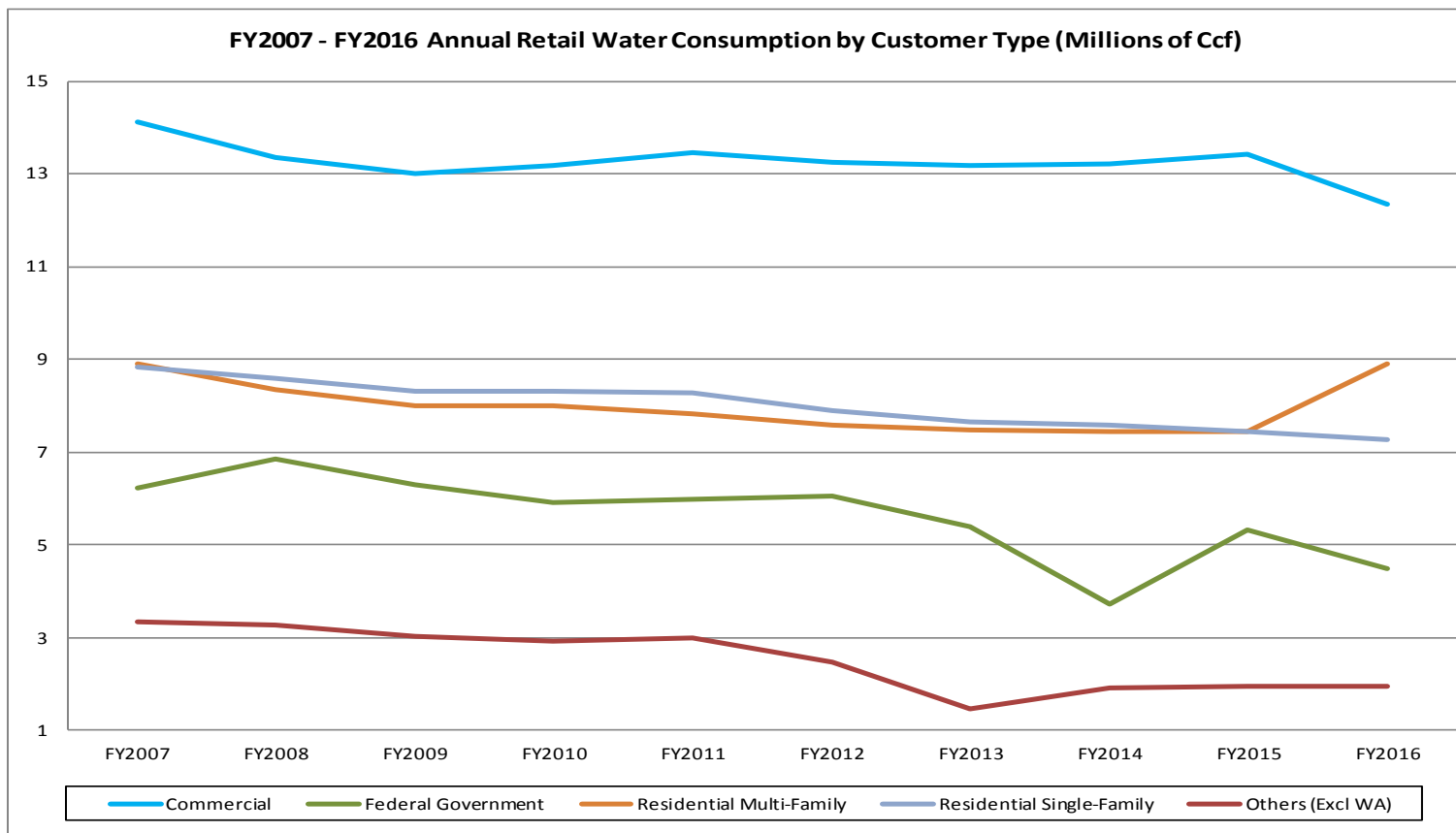
- ❑ About 19.7% of the projected FY 2017 revenues come from “AAA” rated entities and are received in advance of service:
 - Federal Government
 - Fairfax County
 - Washington Suburban Sanitary Commission
 - Loudon County Sanitation Authority
- ❑ An additional 2.4% of revenues come from the District of Columbia which is rated “AA-”



Media reports reference the service area’s economic strength

- ❑ On Business Insider’s US states economy ranking, DC was ranked second highest due to “DC’s November 2015 average weekly wage of \$1,342, GDP per capita of \$159,386, and increase in house prices of 15.4% were all the highest in the country.” Business Insider, January 11, 2016
- ❑ “The District’s population will continue to grow steadily and reach nearly 1 million residents in the next 30 years... According to the Metropolitan Washington Council of Governments... from 2015 to 2025, the region’s job growth is projected to be 13 percent, compared with 10 percent for the nation.” Washington Post, March 9, 2016
- ❑ “Unemployment in the D.C. area continued to fall in January... At the same time, the size of the labor force increased in all three states... The types of jobs being added have experts particularly optimistic. The largest share came within the professional and business service category, typically higher-paying positions...” The Washington Post, March 14, 2016

Customer Demand: A reasonable degree of accuracy in forecasting water demand is important for sound financial planning and rate-setting. DC Water has typically assumed an annual reduction in Water demand of one percent in line with a ten year historic average. The FY 2007 - 2016 actual averaged annual demand decline of 1.9 percent. The FY 2017 – FY 2026 Financial Plan assumed retail water consumption decline of one percent in FY 2017 and onwards. We believe that this conservative estimate is in line with the financial policies and assures revenue sufficiency for the Authority.



FY 2006 - FY 2016 usage shows an average annual rate of change in aggregate demand of -1.9%, excluding Washington Aqueduct. FY 2016 consumption decreased 1.7%, mostly due to decreases in consumption for Federal Government and commercial accounts, offset somewhat by the increases in consumption in multi-family accounts. FY 2007 – FY 2016 average annual rate of change in demand for the customer classes: Commercial -1.5%; Federal Government: -3.6%; Multi-Family: -0.01%; Single Family: -2.2%; and Other (include Exempt, DC Housing Authority, DC Municipal Government, and DC Water): -5.8%